

SB0240



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0240

Introduced 2/7/2007, by Sen. Dale E. Risinger

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-104.10
40 ILCS 5/14-152.2 new

Amends the State Employees Article of the Illinois Pension Code. Allows contributing employees to establish additional service credit for certain periods of employment by the federal government or a unit of state or local government located outside Illinois. Requires the employee to apply by June 30, 2008 and pay specified contributions. Includes new benefit increase language. Effective immediately.

LRB095 10626 AMC 30849 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 14-104.10 and by adding Section 14-152.2 as follows:

6 (40 ILCS 5/14-104.10)

7 Sec. 14-104.10. Federal or out-of-state employment. A
8 contributing employee may establish additional service credit
9 for periods of full-time employment by the federal government
10 or a unit of state or local government located outside Illinois
11 for which he or she does not qualify for credit under any other
12 provision of this Article, provided that (i) the amount of
13 service credit established by a person under this Section shall
14 not exceed 8 years or 40% of his or her membership service
15 under this Article, whichever is less, (ii) the amount of
16 service credit established by a person under this Section for
17 federal employment, when added to the amount of all military
18 service credit granted to the person under this Article, shall
19 not exceed 8 years, and (iii) any credit received for the
20 federal or out-of-state employment in any federal or other
21 public employee pension fund or retirement system has been
22 terminated or relinquished. Credit may not be established under
23 this Section for any period of military service or for any

1 period for which credit has been or may be established under
2 Section 14-110 or any other provision of this Article.

3 In order to establish service credit under this Section,
4 the applicant must submit a written application to the System
5 by June 30, 2008 ~~1999~~, including documentation of the federal
6 or out-of-state employment satisfactory to the Board, and pay
7 to the System (1) employee contributions at the rates provided
8 in this Article based upon the person's salary on the last day
9 as a participating employee prior to the federal or
10 out-of-state employment, or on the first day as a participating
11 employee after that employment, whichever is greater, plus (2)
12 an amount determined by the Board to be equal to the employer's
13 normal cost of the benefits accrued for that employment, plus
14 (3) regular interest on items (1) and (2) from the date of
15 conclusion of the employment to the date of payment.

16 (Source: P.A. 90-32, eff. 6-27-97; 90-655, eff. 7-30-98;
17 90-766, eff. 8-14-98.)

18 (40 ILCS 5/14-152.2 new)

19 Sec. 14-152.2. New benefit increases. The General Assembly
20 finds and declares that the amendment to Section 14-104.10 of
21 this Article made by this amendatory Act of the 95th General
22 Assembly providing optional service credit for time as a
23 federal employee constitutes a new benefit increase within the
24 meaning of Section 14-152.1. The additional funding required
25 for this new benefit increase shall be provided by employee

1 contributions as specified in Section 14-104.10.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.